



# Evolving Trends in Franchise Financing

# Guidant Overview

Our vision is to increase the number of people who succeed in small business.



30,000+  
Businesses



\$5 Billion In  
Funding



85,000+ US  
Jobs Created

# Funding Services

We can help access acquisition, expansion,  
or crisis capital.



## SBA Loans

Clients can borrow up to \$5 million in capital with this traditional loan.



## Rollovers For Business Startups (ROBS)

Debt-free financing using retirement funds, with no tax penalties.



## Other Options Available

Today we will focus on our SBA Loans and ROBS products, but we also offer:

- Term Loans
- Portfolio Loans

Our products and solutions have helped launch over **30,000** small businesses.

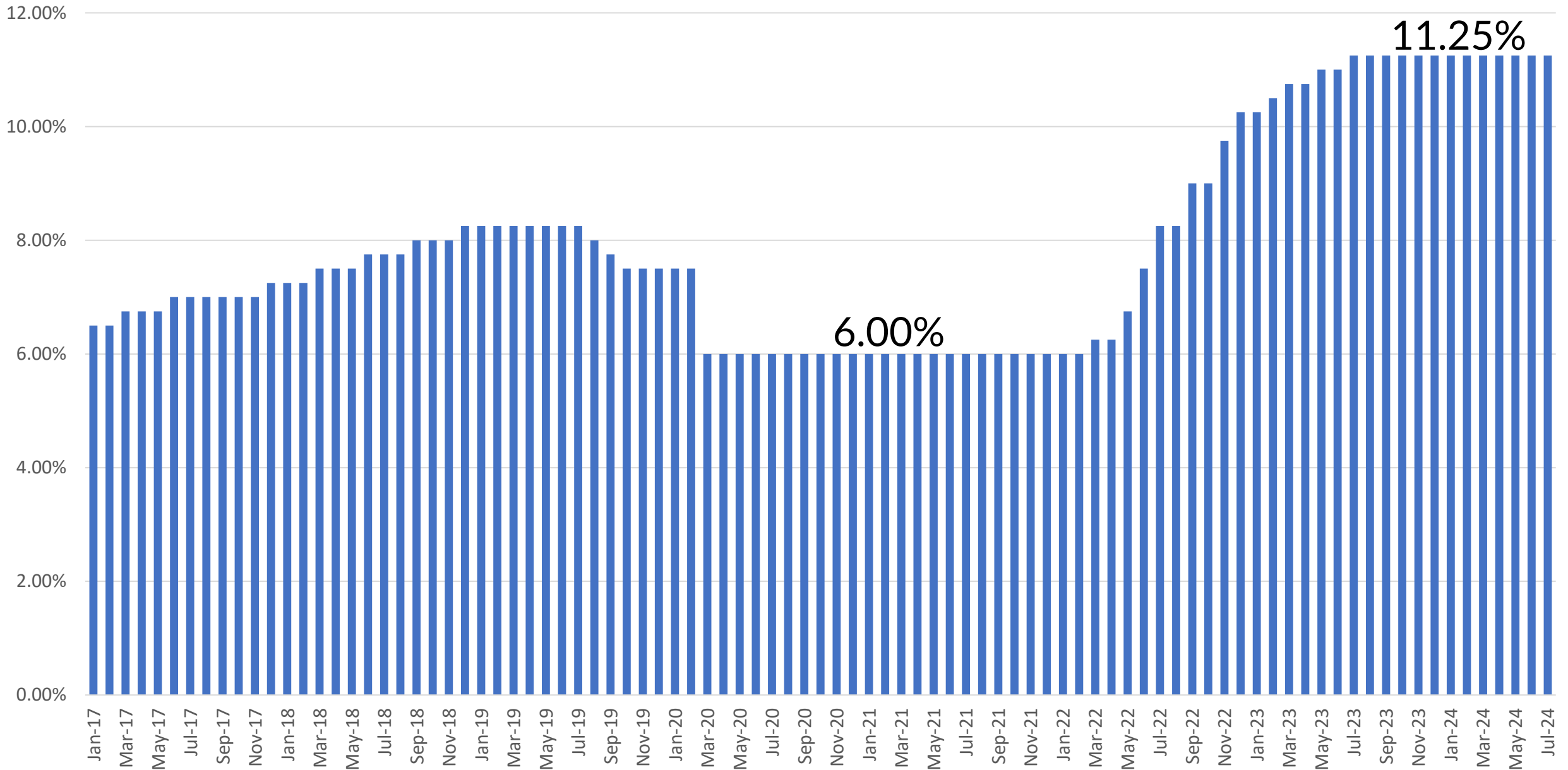




## U.S. Small Business Administration

Loan Amounts	\$50,000 to \$5,000,000
Equity Injection	10%-30%
Term	10-year
Rate	Prime +2.75%
Rate Type	Variable
Credit Score	690+
Post Lending Liquidity	\$50,000 or 10% of Loan
Early Payoff Penalty	None

# SBA Loan Rates



# 5 C's – SBA Focus

## CAPITAL

No bank will fund your candidate's business at 100 percent of their total cash needs. While the SBA requires 10% down, most banks often require more. If your candidate is creating a new business, typically, the bank will require a down payment of **30 percent**.

## COLLATERAL

If your candidates have "worthwhile assets" (as deemed by the SBA), the lending bank will require the assets to be used as collateral for the loan.

## CHARACTER

Lenders look at personal and business character when evaluating strength as a borrower.

## 5 C's

There are five primary elements that lenders consider in SBA loan applications.

## CREDIT

Your candidate's credit score and credit history play a vital role in the approval for SBA lending.

## CAPACITY

Capacity means how your candidate's business will generate income (or cash flow) to repay their SBA loan

# Our Solution

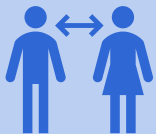
# 10

Guidant's proven [10-step SBA Funding Process](#) has shown great success since launch. We are here to help alleviate your candidate's pain points and move the processing as seamlessly as possible.



## Streamlined

Document requests and collection timelines are outlined at the beginning of the process to eliminate the guesswork.



## Hands-On Approach

Multiple touchpoints throughout the process keep both you and your candidate in the know, reducing candidate confusion.



## Consistency

While each financing request is unique; our consistent process means your candidates receive answers faster, no matter how complex.



## Collaboration

The tried and trusted process Guidant has successfully launched creates collaboration.

# Funding Assurance Program



**Proprietary  
Prequalification**



**Single Point of  
Contact**



**Full-suite of  
Solutions**



**Guaranteed  
Results**

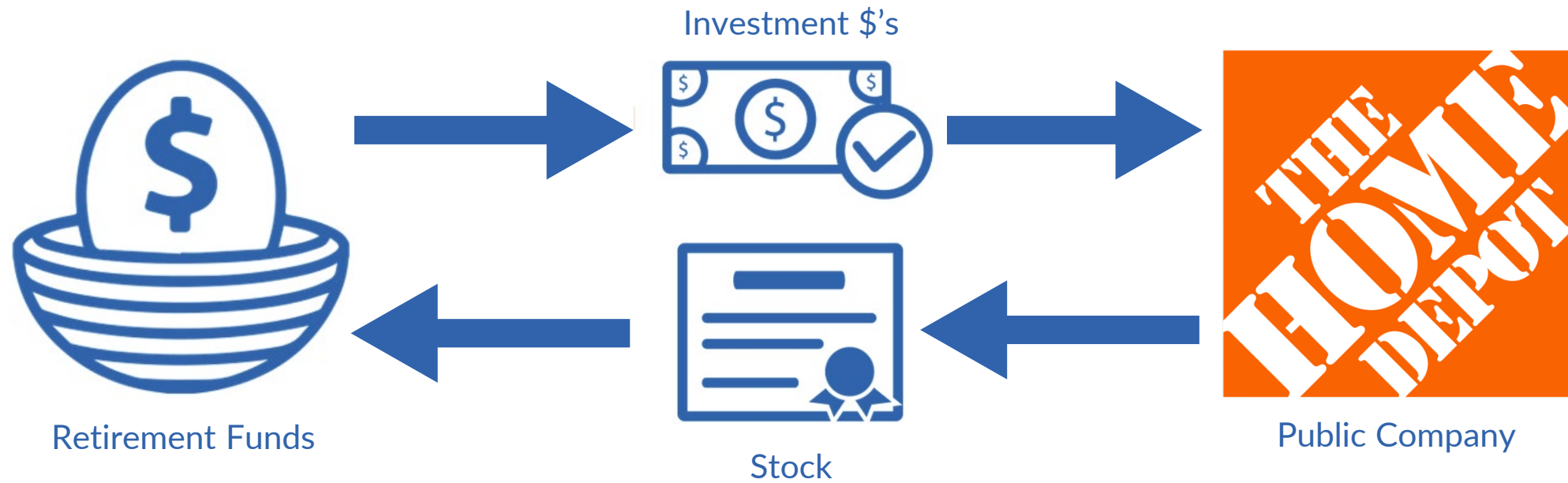


# Rollovers for Business Start-Ups (ROBS)

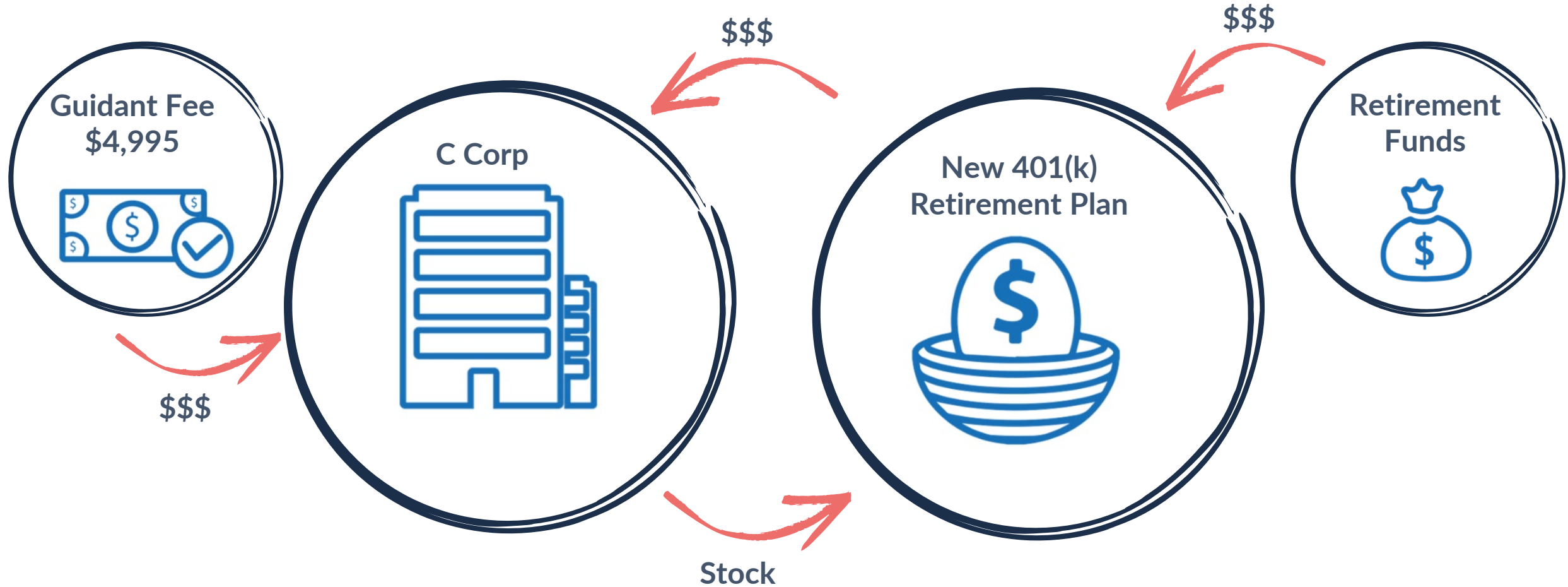
- Made legal with the passage of the ERISA laws in 1974, ROBS allows one to invest **up to** 100% of their existing retirement assets into a small business, without taking a taxable distribution or getting a loan.



# Investing in a Public Company



# How To Set Up A ROBS



# When Would You Use the ROBS Strategy?



Prospective business owner:

- Can't qualify for a loan
- Doesn't like debt
- Insufficient liquidity for down payment or post closing liquidity
- Lacks the the time to wait for a full loan.

# Permitted retirement accounts

- 401(k) plans
- IRA (Individual Retirement Account)
- Profit-sharing plans
- 403(b) plans
- ESOP (Employee stock ownership plans)
- TSP (Thrift Savings Plan)
- HR-10 or Keogh
- SEP (Simplified Employee Pension)
- SIMPLE (Savings Incentive Match Plan for Employees)
- ROTH 401(k)

# Benefits of ROBS vs. Withdrawing Funds



	Withdraw Funds*	Using ROBS
Retirement Funds	\$300,000	\$300,000
Early Withdrawal Penalty	(\$30,000)	(\$0)
Federal Tax	(\$59,802)	(\$0)
State Tax (10%)	(\$29,550)	(\$0)
<b>Use for Business</b>	<b>\$180,648</b>	<b>\$300,000</b>
<b>% Remaining</b>	<b>60%</b>	<b>100%</b>

\* Example only, actual amounts will vary

# Benefits of ROBS

## Cash-Rich

Quicker path to success and profitability by starting out with an infusion of cash



## Increased Buying Power

Pair with other financing methods to increase available capital or as the down payment on a loan



## Debt-Free

Don't let interest payments control business decisions, get funded without going into debt



## Easy to Qualify


No collateral or a perfect credit score to get your financing



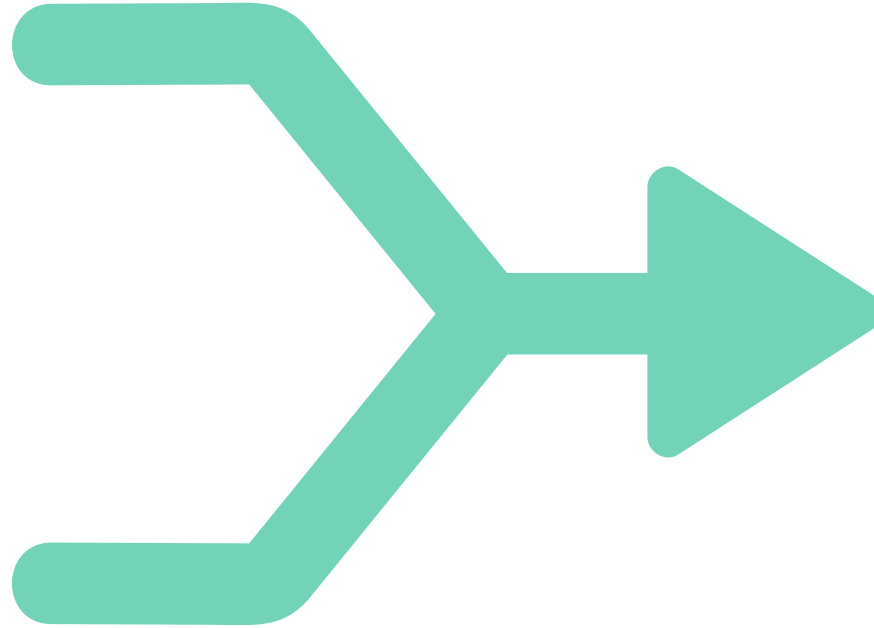
# Ownership Structure



You (10% Shares)



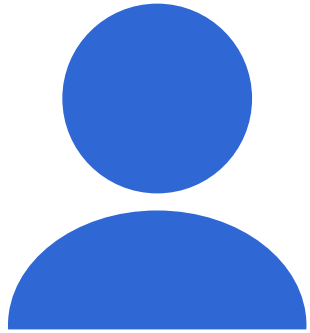
Your Partner  
(90% Shares)



C-Corp



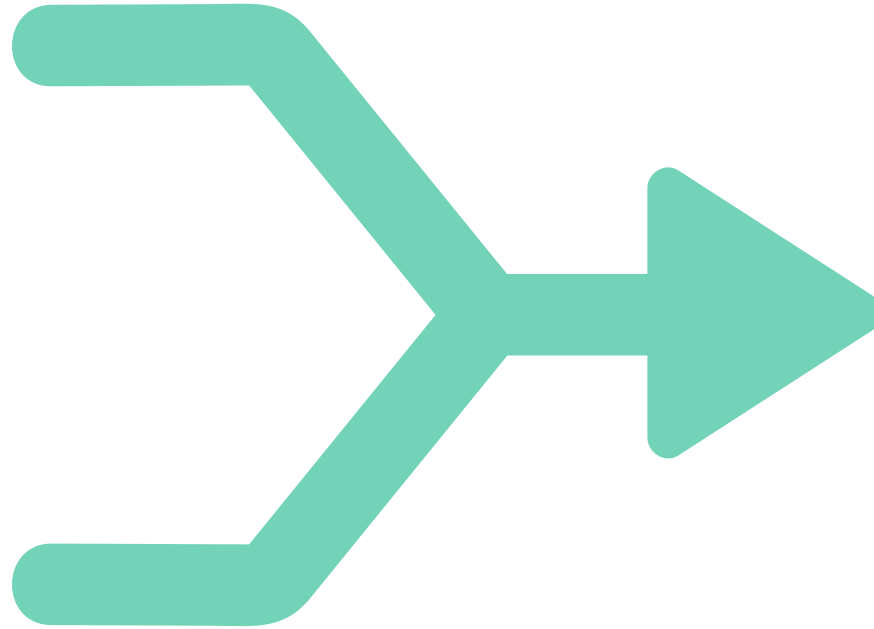
# ROBS Ownership



**You (10% Shares)**



**Retirement Funds  
(90% Shares)**

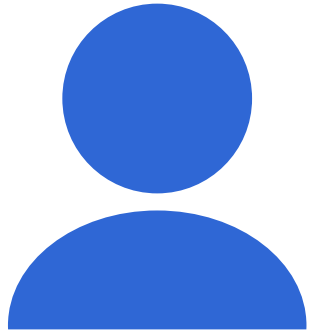


**C Corp**

# Example of Corporate Ownership w/ROBS

Source of Capital	Amount	%	Owner
Cash to ROBS provider	\$5,000	1%	Individual
Cash Contribution to Corp	\$45,000	9%	Individual
<b>Subtotal</b>	<b>\$50,000</b>	<b>10%</b>	
Former Employer 401(k)	\$300,000	60%	Retirement Account
Former Employer ROTH 401(k)	\$50,000	10%	Retirement Account
Rollover IRA	\$100,000	20%	Retirement Account
<b>Subtotal</b>	<b>\$400,000</b>	<b>90%</b>	
<b>Grand Total</b>	<b>\$500,000</b>	<b>100%</b>	

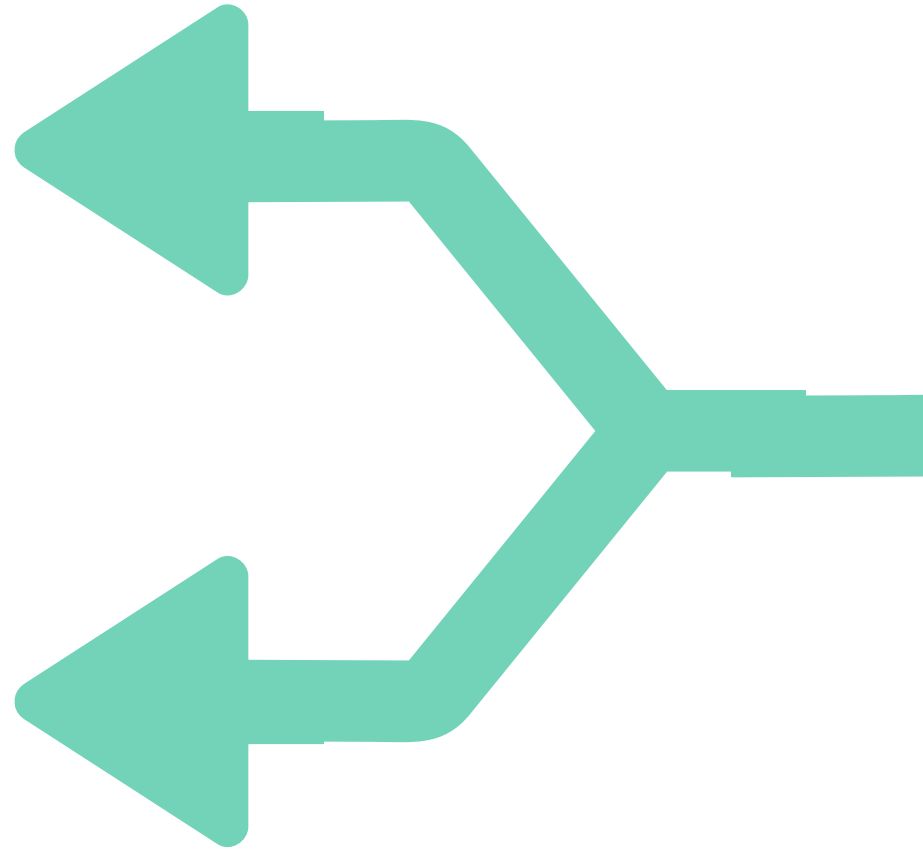
# Exiting ROBS



**You (10% Value)**



**Retirement Funds  
(90% Value)**



**C Corp**

# 401(k) Contribution Limits

Year	Employee	Company	Catch Up (50+)	Total
2021	\$19,500	\$58,000	\$6,500	\$84,000
2022	\$20,500	\$61,000	\$6,500	\$88,000
2023	\$22,500	\$66,000	\$7,500	\$96,000
2024	\$23,000	\$69,000	\$7,500	\$99,500

# ROBS As Equity Injection For SBA Loan

- With the SBA SOP requiring >10% equity injection, lenders need more options for their borrowers
- Candidates can use ROBS as cash towards their loan
- Typically, candidates use a portion of their rollover leaving the remainder as post-closing liquidity

SBA 7(a) 75% of  
Loan



ROBS  
25% of Loan



# The Power of Pre-Qualification



- FREE, co-branded prequalification tool
- Strategic conversation with dedicated consultant
- Pre-flight with loan professional
- FICO/SBSS verification

# Pre-Qualification

**Get Pre-Qualified For Business Funding Now**

First Name  Last Name  Email Address  Phone Number

← **Finance Type**  **Retirement Assets**  **Credit Score**  **Portfolio Loan**  **Time Frame**  **Project Need**  **Down Payment**  →

Start New Franchise | \$100,000 - \$250,000 | 680 - 720 | More than \$500,000 | 2 - 6 Months

**Total project cost?**  
Provide an estimate of the total funding you'll need to launch your small business.  
This includes equipment, real estate, franchise fees, etc.

LESS THAN \$150,000 | \$150,000 - \$300,000 | \$300,000 - \$600,000 | MORE THAN \$600,000 | **NOT SURE YET**

# Pre-Qualification

Rollover + SBA Loans		- Additional Funding Options -		
<b>\$100k-250k</b> Funding Amount	<b>\$500,000</b> Funding Amount	Unsecured Loans	Portfolio Loans	Equipment Leasing
Terms <b>None</b>	Terms <b>None</b>	<b>\$125,000</b> Funding Amount	<b>\$50,000</b> Funding Amount	<b>up to \$500,000</b> Funding Amount
Time to Fund <b>3 weeks average</b>	Time to Fund <b>2 - 5 months</b>	Terms <b>Revolving</b>	Terms <b>None</b>	Terms <b>2 - 5 years</b>
Credit Score Requirements <b>None</b>	Credit Score Requirements <b>680+</b>	Time to Fund <b>3 weeks</b>	Time to Fund <b>3 weeks average</b>	Time to Fund <b>2 weeks</b>
Interest Rate <b>None</b>	Interest Rate <b>prime + 2.25% - 4.75%</b>	Credit Score Requirements <b>680+</b>	Credit Score Requirements <b>None</b>	Credit Score Requirements <b>720+</b>
		Interest Rate <b>12-18% (May qualify for introductory rate)</b>	Interest Rate <b>None</b>	Interest Rate <b>13.9%</b>
				<small>* This amount is an estimate. The actual amount is dependent on value of assets owned by your business.</small>
<a href="#">MORE INFO</a>				



**Hi, I'm Steve**  
I'll be your financing consultant  
and I'm reachable at:  
425.289.3234 Ext: 0000

[SCHEDULE STEVE](#)



**Jeff Morgan**  
Franchise Broker  
ABC Franchise  
888-789-1234

[EMAIL JEFF](#)



# Weekly Client Email



Hello Grace

Below is a status update on your candidates who have been active in the last 60 days. Log into your [Partner Center](#) to see candidates active within the last 6 months, filter by financing status for a custom view, and see referral type (direct or indirect).

As always, feel free to [email me](#) with any questions!

Qualified		
Steven Seaweed	Direct Referral Prequalification complete	Product(s) Rollover
Harvey Hair	Indirect Referral Qualified, buying within 6 months	Product(s) Rollover
Notes:		
Funding		
Charlie Bell	Direct Referral Setting up C-Corp & entities	Product(s) Rollover.



# Business Services

With decades of experience, our team is here to guide your business to a secure, stable, and profitable future.



## Payroll

Payroll Aligned to Your Business Needs



## Bookkeeping & Tax

Focus on growing your business instead of on paperwork



## Human Resources

Resources and experts at your fingertips let you focus on your business.

Our products and solutions have helped launch over **30,000** small businesses.





# Ralph Nilssen

Sr. Director of Sales & Business Development

[ralph@guidantfinancial.com](mailto:ralph@guidantfinancial.com)

Direct & Text: (612) 502-2569



Thank you

